

**REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE
REGULAR MEETING
AUGUST 18, 2022**

MINUTES

The Redevelopment Authority of the City of Milwaukee held a regular meeting at 1:30 p.m. in the 1st Floor Board Room, 809 North Broadway, Milwaukee, Wisconsin.

MEMBERS PRESENT: Commissioner Frances Hardrick, Chair
Commissioner Lois A. Smith, Vice Chair
Commissioner Kathryn West
Commissioner Bill Schwartz
Commissioner Monique Charlier
Commissioner Ashanti Hamilton
Commissioner Jose Galvan

ALSO IN ATTENDANCE: David P. Misky, Assistant Executive Director-Secretary

After the Pledge of Allegiance and Roll Call, the Chair asked for a motion to adopt the Minutes of the June 16, 2022 meeting. Hearing no corrections or objection, the minutes were adopted by consensus.

Mr. Misky reported that for today's public hearings regarding approval of a property acquisition, the required Class II notices were published in the Daily Reporter on August 4th and 11th. In addition, regarding the approval of a Project Plan Amendment, the required Class I notice was published in the Daily Reporter on August 11th. Finally, for the public hearing regarding an EPA Brownfields Cleanup Grant, the required notice was published in the Daily Reporter on July 18th and July 25th.

Item 1, Public Hearing

Resolution approving the acquisition of the City of Milwaukee owned parcel at 616-18 W. North Avenue by the Redevelopment Authority and Site Control Report, in the 6th Aldermanic District.

Real Estate Manager Amy Turim presented the resolution. There is 1 improved lot and numerous vacant lots whereby the City would convey a vacant lot to the Authority to facilitate common ownership. We published an RFP, received 6 proposals, and made a recommendation to work with Fit Investment Group and Cinnaire. The recommendation went to the Bronzeville Advisory Committee (BAC) which agreed with Authority staff. The proposed development would create 54-60 units of housing, address the Anti-Displacement Preference Policy, and have 22,000 square feet of commercial space for the Arts & Tech Hub. The transfer of the parcel will allow the developer to apply for affordable tax credits later this year.

Michael Adetoro of FIT and Elizabeth Rusk of Cinnaire provided additional background for the project including the need to provide space for creative professionals. Among others, Mr. Adetoro stated the Conservancy of Music has an interest in the space. The housing component is to build live/work space with the commercial space providing additional support for small arts entrepreneurs. Ms. Rusk stated the housing units would be 1, 2, and 3 bedrooms with 20% of the units reserved for neighborhood residences to combat gentrification. The space would be affordable for 30 years.

Commissioner Schwartz asked about Melissa Allen's project (Bronzeville Center for the Arts) to which Ms. Turim described that her project is to the east of this area but the projects are complimentary. Ms. Turim stated there are several projects moving forward in Bronzeville with the buy-in from the BAC and the community. Mr. Adetoro stated there is already outreach and engagement for this project happening.

Commissioner Schwartz suggested the development team be flexible with the commercial space to ensure "bills are paid." No one wants to see inactive commercial space on the 1st floor. Mr. Adetoro stated the team is working on shared resources for the creative arts tenants that should help keep the spaces occupied.

Commissioner Smith moved for adoption of the resolution and it carried by a vote of 7 ayes - 0 nays. Adopted resolution is No. 10920. Commissioner Hamilton had joined the meeting during the presentation.

Item 2, Public Hearing

Resolution approving a Sixth Amendment to the Project Plan for Tax Incremental Financing District No. 56 (Erie/Jefferson Riverwalk).

Alyssa Remington of Economic Development described the boundaries and the 4 projects TID 56 has contributed toward including riverwalk development, streetcar infrastructure, Trestle Park, streetscaping, and Erie Street Plaza. The 6th amendment would provide \$3.55MM of increment for additional public infrastructure improvements in extending Corcoran Street, bike-related striping, and improvements to South Harbor Drive. This amendment was precipitated by the proposed Kaeding Development on the south end of the Italian Community Center which will create 260 units of housing. The current value of the District is \$200MM with annual increment of \$4.8MM that will cover this amendment.

Commissioner Schwartz asked about the life of the TID to which Ms. Remington stated this does not impact the payback since we are using increment only. The TID will terminate in 2031 with expenditures required to be spent by 2026.

Citizen Marty Wahl asked if Milwaukee County had approved this amendment to which Ms. Remington stated the Joint Review Board (JRB), which includes the County, will be voting on the item in September but were made aware of it in an earlier JRB meeting. Mr. Wahl stated he thought this amendment would forgo taxes that each taxing jurisdiction could utilize sooner if not amended and this amendment would enhance the developer. Mr. Misky offered to have the department meet with Mr. Wahl, if he desired, to discuss further.

Commissioner Schwartz moved for adoption of the resolution and it carried by a vote of 7 ayes - 0 nays. Adopted resolution is No. 10921.

Item 3, Public Hearing

Resolution authorizing the preferred remedial cleanup action option at the 2642 West Hopkins Street site where an EPA Brownfields Cleanup Grant will be utilized for remediation.

Tory Kress of the Environmental Team provided an overview of the RACM Brownfield Cleanup Grant. The Authority received a \$200K grant from the USEPA to remediate the outlot at 2642 W. Hopkins Street which had been used historically used as a gas station and a paint store. The Authority acquired the parcel in 2009 from MITC with the rest of the Century City site. The EPA requires the Authority to publically-notice the grant which will be used specifically to remove pavement and contaminated soil, and accept crushed concrete from the crushing operation on the corner of 35th and Capitol Drive.

Commissioner Charlier moved for adoption of the resolution and it carried by a vote of 7 ayes - 0 nays. Adopted resolution is No. 10922.

Item 4, Regular Business

Resolution approving a Second Amendment to a Note between the Redevelopment Authority of the City of Milwaukee and HG Sears, LLC for The Ikon Project.

Executive Director Lafayette Crump provided some background for this critical area where it is imperative that the former Sears Store be redeveloped. The impacts of the pandemic, the building cost increases, and the slow pace of development in the area have all contributed to the project's slower pace. This resolution would provide a 1-year extension to begin repayment of the \$4MM used for demolition, cleanup, security, and property taxes.

Dan Casanova of Economic Development then presented the TID was originally created in 2019 with a \$4MM pre-development loan to the developer for 2 years of no interest or principal payments. That was extended an additional year last year with Authority Resolution No. 10879. This amendment would have no interest or principal payments for the first 4 years and the developer would be required to provide monthly updates. If approved, the loan would be no interest or principal payments for the first 4 years, 1 year of interest only, and then 15 years of principal and interest.

Developer Kalan Haywood provided additional background including what has been completed to date including some restaurant operators/investors that have committed or are "ready to go." There have also been serious discussions with hotel operators. Challenges remain with ingress/egress on W. Fond du Lac Ave. and some investors questioning what else is happening in the area. His next steps are to solidify partnerships with the restaurant and hotel operators and continue to find investors to the project.

Alderman Stamper, who has been working side-by-side with Mr. Haywood, spoke in support of the amendment. Mr. Stamper stated there is a 10-year plan he has been working on with DCD and the neighborhood to develop the area which includes the use of 5 community-based organizations in the planning efforts. He supports a phased Ikon project.

Commissioner Schwartz asked about the expenditures to date. Mr. Casanova stated about \$3.8MM of the \$4MM has been spent. Commissioner Schwartz asked about security to which Mr. Kalan Haywood stated there is on-site security but dumping is a huge problem for the project area and the City. In addition, the roof has been fixed temporarily to ensure the building is dry. Commissioner Schwartz asked about the one year amendment to which Mr. Casanova stated this gives the City and the developer an opportunity to renegotiate the loan. We expect this project will be in front of the Board in the next year.

Commissioner Hamilton stated he is in favor of making the terms flexible enough to make it easy for the developer to move forward.

Commissioner Schwartz moved for adoption of the resolution and it carried by a vote of 6 ayes - 1 nays. Adopted resolution is No. 10923.

Item 5, Regular Business

Resolution approving the acceptance of funds to support a Sub-District Plan for Bruce and Pierce Streets in the Menomonee Valley.

Monica Wauck-Smith of Planning introduced the item where the Authority will be the fiscal agent for the funding which includes \$12,500 from the Menomonee Valley Partners and \$12,500 from the City's Advanced Planning Funds. One of the key recommendations from

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the recently-completed Industrial Land Analysis was to consider zoning changes in some industrial districts like the Menomonee Valley. This planning work will dive deeper into the Bruce and Pierce area of the Valley and make specific recommendations.

Commissioner Charlier asked about the timing of the planning work to which Ms. Wauck-Smith stated it will begin in late November and take approximately 6 months to complete.

Commissioner Smith moved for adoption of the resolution and it carried by a vote of 7 ayes - 0 nays. Adopted resolution is No. 10924.

Item 6, Regular Business

Redevelopment Authority Staff Presentation on the 2021 Annual Report of Tax Incremental Districts.

Lori Lutzka of Economic Development and David Schroeder of Finance summarized the 2021 TID report. The City has 60 TIDs with \$2.2B of incremental property value generated totaling 6.33% of the City's 2021 total equalized value. The future project costs to be recovered are estimated at \$147MM. The City created 2 TIDs (Milwaukee Tool and Chapel Gardens), amended 3 TIDs, and dissolved 2 TIDs in 2021. The City is proposing to dissolve 3 TIDs and use the increment from 7 other TIDs for infrastructure projects in 2022.

Item 7, Communication


Resolution approving the 2023 Redevelopment Authority of the City of Milwaukee Operating Budget..

David Piedt, Finance and Administration, provided an overview of the 2023 budget. Mr. Piedt stated that very little will change from 2022 to 2023 with the exception of an expected \$115K increase in the operating expenses due to salaries. The proposed reserve use is \$592k; however, this is a very conservative estimate. The Authority has not had to dip into the reserves the past four years..

Commissioner Schwartz moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10925. Commissioner Galvan had been excused.

ADJOURNMENT

There being no further business to come before the Authority, a motion was made by Commissioner Smith to schedule the next regular meeting for **September 15, 2022**, at 1:30 P.M., 1st Floor Board Room, 809 North Broadway, Milwaukee, Wisconsin, and, to adjourn. The motion carried without objection.



David P. Misky
Assistant Executive Director-Secretary

NOTE: An audio file of this meeting is incorporated and made a part hereof by reference as if fully set forth herein. A copy is available upon request.